



ARKANSAS  
DEPARTMENT  
OF EDUCATION

# Calculating Discounts



***Focusing on What Matters!***

*Beginners Session*

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# Basic Calculations



How large are the discounts on eligible products and services?

- Discounts are 20-90 percent of eligible costs.
- Discount level for a school or library depends on:
  - ✦ Percentage of students who are eligible for National School Lunch Program (NSLP) in
    - (for a school) the school
    - (for a library) the school district in which the library is located.
- Urban or rural location of the school or library.



# Discount Matrix



<b>INCOME</b> <i>% of students eligible for NSLP</i>	<b>URBAN LOCATION</b> <i>Discount</i>	<b>RURAL LOCATION</b> <i>Discount</i>
If the % eligible is...	...and you're in an URBAN area, your discount will be...	...and you're in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%



## Individual school:

- Determine number of students eligible for NSLP
- Determine urban/rural status of the school location
- Look up discount in Discount Matrix
- Starting in FY2012, applicants **must** use NSLP data as of a date that is verifiable by your state authority to determine your appropriate discount rate



## **School district:**

- Calculate the discount rate for each individual school
- School District average = *weighted* average of the schools
- Discounts are based on schools actually receiving services in the FRN (may not be all schools in the district)



## Private Schools

- Methodology same as public schools
- School does not have to participate in the NSLP in order to determine discount
- Private schools may use financial aid data to determine if a students meets the Income Eligibility Guidelines for the National School Lunch Program.



## School NIF **with classrooms** – can use the **snapshot method**

- ✦ Choose a particular day
- ✦ Calculate the percentage NSLP in the classroom for that day
- ✦ Check the Discount Matrix
- ✦ Maintain documentation of your calculation



# New School Construction

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- School under construction
  - Population is known = use that data
  - Population is unknown = use district shared discount



- Private/Charter Schools
  - Population is known: use that data
  - Population is unknown: apply for 20% but can amend with actual figures if obtained later
  - **NOTE: Private/Charter schools - cannot use school district average**





## **Schools with changing student populations**

Examples of these types of schools are:

- magnet schools
  - vocational schools
  - outdoor education facilities
  - career centers
- 
- To calculate their discounts, these schools can use the "snapshot" method described under "School NIFs with classrooms."



## **Provisions 1, 2, and 3**

- Allow for socio-economic survey to be used to establish reimbursement rate and reduce paperwork for schools
- Applicant uses approved NSLP eligibility percentage to calculate discount rate
- Schools submit base-year documentation to support discount rate
- If extension is granted, applicants can submit extension approval letter to support discount rate



# National School Lunch Program

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## **Direct Certification**

- Schools are given lists of students whose families participate in other social service programs
- Students are automatically enrolled in NSLP
- School does not retain more detailed information regarding the student's eligibility
- All Direct Certification students are considered eligible for the NSLP for E-Rate discount purposes.



## Alternative Discount Mechanisms

- For schools that either **do not participate in NSLP or choose not to use NSLP participation numbers**, there are certain acceptable alternative discount mechanisms that can be used to calculate an equivalent measure for the percentage of students eligible for NSLP.
- Data from alternative discount mechanisms must be collected and verifiable on an individual student basis.

**Remember:** that documentation must be retained for five years after the last date to receive service.



# Alternative Discount Mechanisms

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## Examples



- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Supplementary Security Income (SSI)
- Section 8 Housing Assistance (federal public housing assistance)
- Low Income Home Energy Assistance Program (LIHEAP)
- Food Distribution Program on Indian Reservations (FDPIR)



## Unacceptable Mechanisms

- Examples of programs that **do not** automatically qualify
  - ✦ Temporary Assistance for Needy Families (TANF is a Federal designation)
  - ✦ Title 1 eligibility
  - ✦ Scholarship programs





## STEP 4

# APPLYING FOR DISCOUNTS



<http://www.usac.org/sl/applicants/step04/urban-rural.aspx>

### Urban/Rural Status


Every school or library in the United States is located in either a rural or an urban area, based on Metropolitan Statistical Area (MSA) data. Applicants must determine if the school or library is rural or urban in order to properly calculate its percentage discount.


Calculations for percentage discounts are always based on data - including rural or urban status - at the level of an individual school or library building.





### Interpretation of Search Results

**Rural:** If your county is listed in normal type on the Table of Rural Areas by State, your entire county is classified as rural. If your county is listed in bold type, a portion of the county is classified as rural, and the table further identifies the census tracts within such county that are (\*only in) or are not (\*\*except in) considered rural. If your location, as determined by your specific street address, is considered rural, you are eligible for the rural discount in the [discount matrix](#)  applicable to the Schools and Libraries Program.

**Urban:** If your county is not listed on the Table of Rural Areas by State, or if your county is listed in bold type and states \*\*except in the census tract number in which your specific street address falls, you are considered urban. You are eligible for the urban discount in the [discount matrix](#)  applicable to the Schools and Libraries program.

### Table of Rural Areas by State

Revised 05/03/2003

- All the counties listed in normal type are rural and the entire county is considered rural
- County names in bold type indicate that portions of the county are considered rural
- "Only" indicates census tracts or areas that are rural
- "Except" indicates census tracts or areas that are not rural



## STEP 4

## APPLYING FOR DISCOUNTS



### Arkansas

Arkansas  
Ashley  
Baxter  
Boone  
Bradley  
Calhoun  
Carroll  
Chicot  
Clark  
Clay  
Cleburne  
Cleveland  
Columbia

Conway  
Craighead  
Cross  
Dallas  
Desha  
Drew  
Franklin  
Fulton  
Garland  
Grant  
Greene  
Hempstead  
Hot Spring

Howard  
Independence  
Izard  
Jackson  
Johnson  
Lafayette  
Lawrence  
Lee  
Lincoln  
Little River  
Logan  
Madison  
Marion

Mississippi  
Monroe  
Montgomery  
Nevada  
Newton  
Ouachita  
Perry  
Phillips  
Pike  
Pike  
Poinsett  
Polk  
Pope

Prairie  
Randolph  
Scott  
Searcy  
Sevier  
Sharp  
St. Francis  
Stone  
Union  
Van Buren  
White  
Woodruff  
Yell

